



General Assembly

Distr.: General
5 January 2000

Original: English

Fifty-fourth session

Agenda item 144

Financing of the United Nations Mission in Bosnia and Herzegovina

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Report of the Secretary-General

Summary

The present report contains the financial performance report of the United Nations Mission in Bosnia and Herzegovina (UNMIBH) for the period from 1 July 1998 to 30 June 1999. The General Assembly, by its resolution 52/243 of 26 June 1998, appropriated an amount of \$189,483,720 gross (\$179,593,320 net) for the maintenance of UNMIBH for the same period.

Expenditures for the period totalled \$169,841,000 gross (\$161,788,300 net), resulting in an unencumbered balance of \$19,642,720 gross (\$17,805,020 net).

The unencumbered balance resulted primarily from civilian personnel costs.

The action to be taken by the General Assembly in connection with the financing of the Mission is a decision on the treatment of the unencumbered balance of \$19,642,720 gross (\$17,805,020 net) for the period from 1 July 1998 to 30 June 1999.



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I. Introduction

1. By its resolution 1035 (1995) of 21 December 1995, the Security Council established a United Nations civilian police force to be known as the International Police Task Force (IPTF), entrusted with the responsibilities set out in annex II to the General Framework Agreement for Peace in Bosnia and Herzegovina and the annexes thereto (collectively called the "Peace Agreement") (A/50/790-S/1995/999), and a United Nations civilian office with the responsibilities set out in the report of the Secretary-General of 13 December 1995 (S/1995/1031). That operation is referred to as the United Nations Mission in Bosnia and Herzegovina (UNMIBH).
2. The deployment of United Nations military observers to monitor the demilitarization of the Prevlaka peninsula was authorized by the Security Council in its resolution 779 (1992) of 6 October 1992. Although an independent mission, for administrative and budgetary purposes the United Nations Mission of Observers in Prevlaka is treated as part of UNMIBH.
3. The budget for the maintenance of UNMIBH for the period from 1 July 1998 to 30 June 1999 was set out in the report of the Secretary-General of 9 February 1998 (A/52/786) and amounted to \$190,921,200 gross (\$181,030,800 net). It provided for the maintenance of up to 28 military observers, 5 military liaison officers, 2,027 civilian police, 397 international staff and 1,307 locally recruited staff. The Advisory Committee on Administrative and Budgetary Questions, in paragraph 19 of its report of 31 March 1998 (A/52/860/Add.3), recommended that the General Assembly appropriate \$180 million gross for the period from 1 July 1998 to 30 June 1999.
4. The General Assembly, by its resolution 52/243 of 26 June 1998, appropriated an amount of \$189,483,720 gross (\$179,593,320 net) for the maintenance of UNMIBH for the period from 1 July 1998 to 30 June 1999, inclusive of \$9,483,720 for the support account for peacekeeping operations. That amount has been assessed on Member States.
5. By its resolution 1168 (1998) of 21 May 1998 the Security Council increased the strength of IPTF from 2,027 to 2,057 police for the setting up of specialized training units. Subsequently, by its resolution 1184 (1998) of 16 July 1998, the Council approved the establishment by UNMIBH of a programme to monitor and assess the court system in Bosnia and Herzegovina. In his letter of 31 July 1998, the Controller informed the Chairman of the Advisory Committee that, in the light of the slippage in the deployment of civilian personnel, he believed the additional requirements resulting from the expansion of the mandate of UNMIBH could be absorbed within the resources provided pursuant to General Assembly resolution 52/243. In the same letter, the Controller also stated that the related expenditures would be reported in the context of the performance report for the period.

II. Implementation of the budget

6. Information on the activities of UNMIBH and the situation on the ground during the period under review is contained in the reports of the Secretary-General to the Security Council dated 16 September 1998 (S/1998/862), 16 December 1998 (S/1998/1174), 16 March 1999 (S/1999/284) and 11 June 1999 (S/1999/670).
7. Information on the situation in the area of responsibility of UNMOP during the period under review is contained in the reports of the Secretary-General to the Security Council dated 12 October 1998 (S/1998/939), 6 January 1999 (S/1999/16) and 9 April 1999 (S/1999/404).

8. As indicated in paragraph 3 above, the UNMIBH budget provided, *inter alia*, for the maintenance of up to 2,027 civilian police, 397 international staff and 1,307 locally recruited staff. While there were improvements in the incumbency of civilian personnel, there was an average vacancy rate of 5 per cent for civilian police and 13 per cent (compared to 5 per cent budgeted) for international staff, particularly at the end of the budget period when a significant number of police and international staff were transferred to the United Nations Interim Administration Mission in Kosovo.

9. The implementation of the UNMIBH budget was also affected by a large number of mission appointees. Although the budget took into account the non-entitlement to post adjustment for mission appointees at the Professional level, expenditures for international salaries were significantly less than the standard costs owing to the fact that many Field Service staff were mission appointees. Expenditures for common staff costs were also significantly less than the standard costs because of the large number of mission appointees. Based on mission experience, appropriate reductions have been applied to the standard costs effective 1 July 1999.

10. The unspent balances resulting from the factors referred to above were partially offset by the cost of additional staff under general temporary assistance following the expansion of the mandate of the Mission as indicated in paragraph 5 above.

III. Financial performance report for the period from 1 July 1998 to 30 June 1999

11. As indicated in table 1 below, from the appropriation of \$189,483,720 gross (\$179,593,320 net) for the period from 1 July 1998 to 30 June 1999, expenditures amounted to \$169,841,000 gross (\$161,788,300 net), inclusive of \$16,133,000 in unliquidated obligations. The resulting unspent balance of \$19,642,720 gross (\$17,805,020 net) represents, in gross terms, some 10 per cent of the amount appropriated. Annex I to the present report contains the financial performance information for the reporting period by budget line item, with supplementary information on significant variances presented in annex II. Annex IV contains a chart showing apportionment and expenditure by main budget groups.

Table 1
Apportionment and expenditure
(Thousands of United States dollars)

<i>Category of expenditure</i>	<i>Apportionment</i>	<i>Expenditure^a</i>	<i>Variance</i>
Military personnel	2 071.0	1 933.3	137.7
Civilian personnel	134 687.7	118 826.2	15 861.5
Operational requirements	32 927.8	29 636.0	3 291.8
Other programmes ^b	423.1	389.6	33.5
United Nations Logistics Base at Brindisi	—	1 519.5	(1 519.5)
Support account for peacekeeping operations	9 483.7	9 483.7	—
Staff assessment	9 890.4	8 052.7	1 837.7
Gross requirements	189 483.7	169 841.0	19 642.7
Income from staff assessment	(9 890.4)	(8 052.7)	(1 837.7)
Net requirements	179 593.3	161 788.3	17 805.0
Voluntary contributions in kind (budgeted)	—	3.6	^c
Voluntary contributions in kind (non-budgeted)	—	—	—
Total resources	189 483.7	169 844.6	^c

^a Includes an amount of \$16,133,000 in unliquidated obligations.

^b Excluding personnel.

^c Not applicable.

12. Information on the deployment of military and civilian personnel during the reporting period is given in table 2 and annex III.

Table 2
Authorized staffing, incumbency and vacancy rates for military and civilian personnel for the period from 1 July 1998 to 30 June 1999

<i>Personnel category</i>	<i>Authorized strength</i>	<i>Actual strength (average)</i>	<i>Vacancy rate (percentage)</i>
Military observers	33	30	8
Military contingents	—	—	—
Civilian police	2 057	1 959	5
International staff	397	344	13
National officers	—	—	—
Local staff	1 307	1 239	5
United Nations Volunteers	—	—	—

IV. Action to be taken by the General Assembly at its fifty-fourth session

13. The action to be taken by the General Assembly in connection with the financing of UNMIBH, including UNMOP, is to decide on the treatment of the unencumbered balance of \$19,642,720 gross (\$17,805,020 net) for the period from 1 July 1998 to 30 June 1999.

Annex I

Financial performance report for the period from 1 July 1998 to 30 June 1999: summary statement

(Thousands of United States dollars)

Category of expenditure	(1) Apportionment ^a	(2) Non-recurrent expenditures	(3) Total expenditures (inclusive of non-recurrent expenditures)	(4 = (1-3)) Variance
I. Military personnel				
1. Military observers	1 247.0	—	1 109.3	137.7
2. Military contingents	—	—	—	—
3. Other requirements pertaining to military personnel				
(a) Contingent-owned equipment	—	—	—	—
(b) Self-sustainment	—	—	—	—
(c) Death and disability compensation	824.0	—	824.0	—
Subtotal, line 3	824.0	—	824.0	—
Total, category I	2 071.0	—	1 933.3	137.7
II. Civilian personnel				
1. Civilian police	75 318.5	—	67 483.4	7 835.1
2. International and local staff	59 369.2	—	51 342.8	8 026.4
3. United Nations Volunteers	—	—	—	—
4. Government-provided personnel	—	—	—	—
5. Civilian electoral observers	—	—	—	—
Total, category II	134 687.7	—	118 826.2	15 861.5
III. Operational requirements				
1. Premises/accommodation	4 170.4	193.0	4 059.9	110.5
2. Infrastructure repairs	—	—	—	—
3. Transport operations	10 669.9	5 613.5	8 966.8	1 703.1
4. Air operations	1 922.7	—	808.2	1 114.5
5. Naval operations	—	—	—	—
6. Communications	9 558.6	5 723.9	8 283.2	1 275.4
7. Other equipment	3 576.3	3 158.8	3 544.6	31.7
8. Supplies and services	2 879.9	—	3 829.9	(950.0)
9. Air and surface freight				
(a) Transport of contingent-owned equipment	—	—	—	—
(b) Commercial freight and cartage	150.0	—	143.4	6.6
Subtotal, line 9	150.0	—	143.4	6.6
Total, category III	32 927.8	14 689.2	29 636.0	3 291.8

<i>Category of expenditure</i>	<i>(1) Apportionment^a</i>	<i>(2) Non-recurrent expenditures</i>	<i>(3) Total expenditures (inclusive of non-recurrent expenditures)</i>	<i>(4 - (1-3)) Variance</i>
IV. Other programmes				
1. Election-related supplies and services	—	—	—	—
2. Public information programmes	193.1	20.0	148.2	44.9
3. Training programmes	230.0	—	241.4	(11.4)
4. Mine-clearing programmes	—	—	—	—
5. Assistance for disarmament and demobilization	—	—	—	—
Total, category IV	423.1	20.0	389.6	33.5
V. United Nations Logistics Base at Brindisi	—	—	1 519.5	(1 519.5)
VI. Support account for peacekeeping operations	9 483.7	—	9 483.7	—
VII. Staff assessment	9 890.4	—	8 052.7	1 837.7
Gross requirements, categories I-VII	189 483.7	14 709.2	169 841.0	19 642.7
VIII. Income from staff assessment	(9 890.4)	—	(8 052.7)	(1 837.7)
Net requirements, categories I-VIII	179 593.3	14 709.2	161 788.3	17 805.0
IX. Voluntary contributions in kind (budgeted)	—	—	3.6	^b
X. Voluntary contributions in kind (non-budgeted)	—	—	—	—
Total	189 483.7	14 709.2	169 844.6	^b

^a Based on appropriation provided in General Assembly resolution 52/243.

^b Not applicable. —

Annex II

Supplementary information on significant variances

Military personnel costs

Apportionment: \$2,071,000; expenditure: \$1,933,300; variance: \$137,700

1. The unutilized balance of \$137,700 under this heading resulted primarily from an average vacancy rate of 8 per cent for military observers. (The budget did not take into account any vacancy factors.).

Civilian personnel costs

Apportionment: \$134,687,700; expenditure: \$118,826,200; variance: \$15,861,500

2. The unutilized balance of \$15,861,500 under this heading resulted from reduced requirements for civilian police (\$7,835,100) and international and local staff (\$8,026,400).

Civilian police

Apportionment: \$75,318,500; expenditure: \$67,483,400; variance: \$7,835,100

3. The unspent balance of \$7,835,100 under this heading resulted from lower expenditures for mission subsistence allowance and travel. Lower expenditures under subsistence allowance were due to an average vacancy rate of 5 per cent for civilian police (no vacancy factor was applied in the budget) and the decrease in the rate applicable in the mission area after 30 days from \$90 to \$75 effective May 1999. With regard to travel, although provision was made for 50 kilograms of accompanied excess baggage (compared to an entitlement of 100 kilograms), most airlines waived accompanied excess baggage costs incurred by military observers and civilian police. In this connection, appropriate reductions are being applied to the UNMIBH budget effective 1 July 2000.

International and local staff

Apportionment: \$59,369,200; expenditure: \$51,342,800; variance: \$8,026,400

4. The unutilized balance of \$8,026,400 under international and local staff costs resulted primarily from an average vacancy rate of 13 per cent for international staff, compared to 5 per cent budgeted. Moreover, although the apportionment for international salaries took into account the non-entitlement to post adjustment for mission appointees at the Professional level, savings were realized under this heading as a result of the fact that many Field Service staff were mission appointees. Expenditures for common staff costs were also considerably less than the standard costs because of the large number of mission appointees. The need for further technical adjustments to staff costs was indicated in paragraph 4 of annex II to the report of the Secretary-General containing the performance report of UNMIBH for the period from 1 July 1997 to 30 June 1998 (A/53/764), and appropriate reductions have been applied to the UNMIBH budget as from 1 July 1999. Lastly, there were unutilized resources under local staff salaries because staff were employed at lower levels than budgeted. Appropriate reductions are being applied to the UNMIBH budget effective 1 July 2000.

5. The savings referred to in the previous paragraph were partially offset by additional requirements for general temporary assistance and other travel. Additional requirements

for general temporary assistance resulted from the deployment of 39 staff following the decisions of the Security Council in its resolutions 1168 (1998) and 1184 (1998) to expand the responsibilities of the Mission to include the setting up of specialized training units and a legal reform programme. Travel requirements not foreseen at the time of budget preparation included travel of senior staff to meetings of the North Atlantic Treaty Organization (NATO), the Organization for Security and Cooperation in Europe, the peace implementation conference, inter-agency meetings, briefings of the European Union, regional conferences and symposiums and donor conferences; travel of technical staff to liaison offices in Zagreb and Belgrade and to the meeting on transport of equipment to and from the United Nations Logistics Base at Brindisi, Italy; and payment of meals and accommodation allowance to locally recruited language assistants who were required to be away from their normal duty station for more than 10 hours. Provision for the travel of senior staff to regional meetings and conferences, travel to the liaison offices in Belgrade and Zagreb and travel of locally recruited language assistants has been included in the budget as from 1 July 1999 on the basis of mission experience.

Operational requirements

Apportionment: \$32,927,800; expenditure: \$29,636,000; variance: \$3,291,800

6. The unspent balance of \$3,291,800 under this heading resulted from reduced requirements totalling \$4,241,800 under premises/accommodation (\$110,500), transport operations (\$1,703,100), air operations (\$1,114,500), communications (\$1,275,400), other equipment (\$31,700) and air and surface freight (\$6,600), which were partially offset by additional requirements totalling \$950,000 under supplies and services.

Transport operations

Apportionment: \$10,669,900; expenditure: \$8,966,800; variance: \$1,703,100

7. An unutilized balance of \$1,703,100 under this heading was due primarily to the transfer of spare parts from the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES)/Civilian Police Support Group and to the fact that freight for vehicles was lower than the estimated cost of 15 per cent of equipment.

Air operations

Apportionment: \$1,922,700; expenditure: \$808,200; variance: \$1,114,500

8. Unutilized resources under this heading were due primarily to the fact that helicopter operations have been discontinued since the crash of the MI-8 helicopter in September 1997. In addition, the intervention of NATO in Kosovo from March to early June restricted the operation of civilian aircraft in the region. Lastly, since the airport at Sarajevo remained under the control of the Stabilization Force (SFOR), no landing charges were levied.

Communications

Apportionment: \$9,558,600; expenditure: \$8,283,200; variance: \$1,275,400

9. Unutilized resources of \$1,275,400 under communications resulted primarily from sharing the cost of the transponder lease with SFOR and the reduced need for spare parts and supplies in view of the substantial replacement of old and the purchase of new communications equipment during the period. As a result of savings reported for the

previous period for the same reason, provision for commercial communications has been reduced effective 1 July 1999.

Supplies and services

Apportionment: \$2,879,900; expenditure: \$3,829,900; variance: (\$950,000)

10. Additional requirements under this heading were the net result of additional requirements in the amount of \$1,216,300 for miscellaneous services, partially offset by an unutilized balance of \$266,300 under miscellaneous supplies. Additional requirements under miscellaneous services were attributable mainly to losses on exchange. Unutilized resources under miscellaneous supplies were due primarily to the transfer of supplies from UNTAES/Civilian Police Support Group.

United Nations Logistics Base at Brindisi

Apportionment: none; expenditure: \$1,519,500; variance: (\$1,519,500)

11. The expenditure of \$1,519,500 represents the Mission's prorated share of the cost of maintaining the United Nations Logistics Base at Brindisi for the reporting period, in accordance with General Assembly resolution 52/1 B of 26 June 1998.

Staff assessment

Apportionment: \$9,890,400; expenditure: \$8,052,700; variance: \$1,837,700

12. Unspent resources amounting to \$1,837,700 were due primarily to vacancies in international posts.

Income from staff assessment

Apportionment: (\$9,890,400); expenditure: (\$8,052,700); variance: (\$1,837,700)

13. This amount is derived from staff assessment (see para. 12).

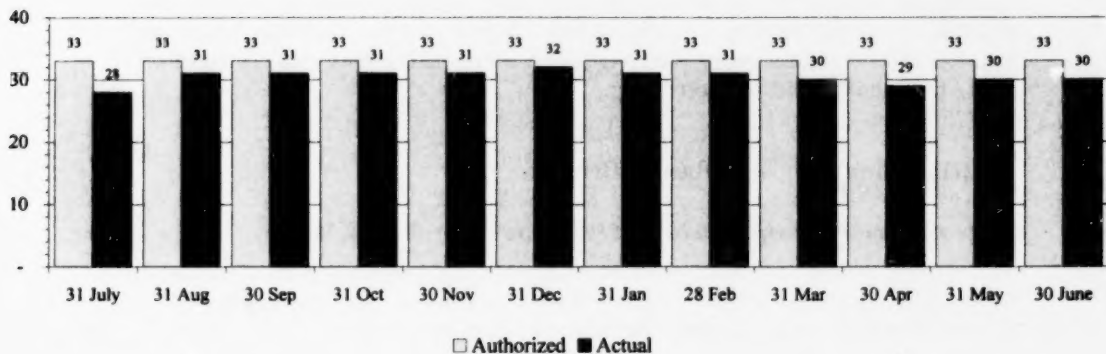
Voluntary contributions in kind (budgeted)

14. Operational maps, valued at \$3,600, were provided to UNMIBH by SFOR.

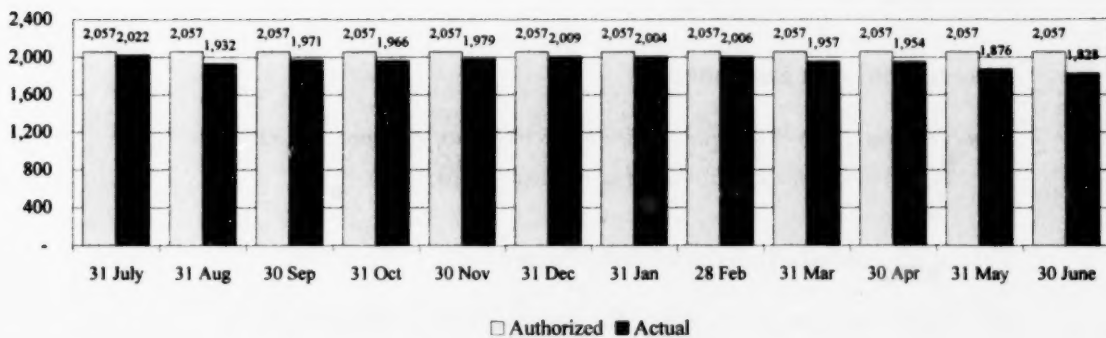
Annex III

Planned and actual deployment of military and civilian personnel for the period from 1 July 1998 to 30 June 1999

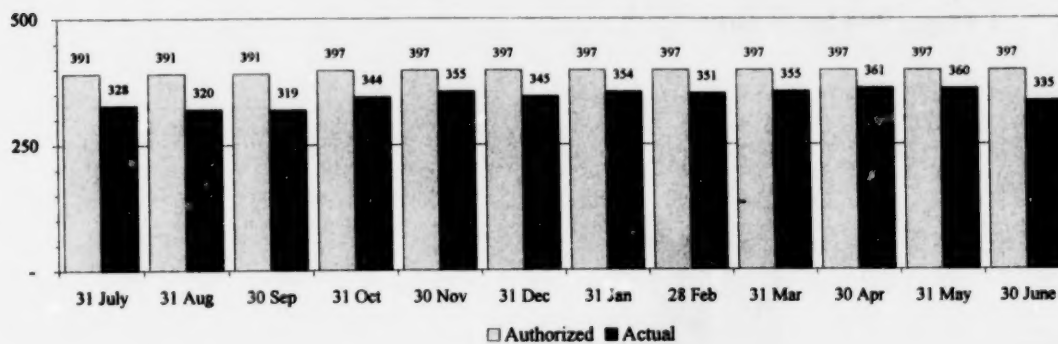
1. Military observers



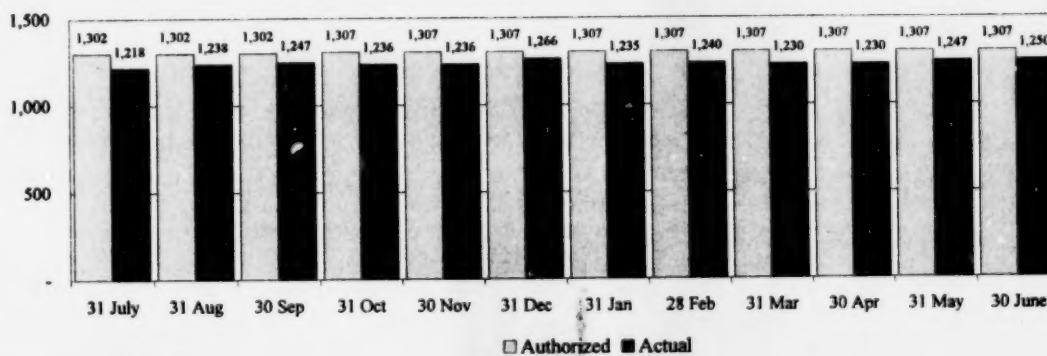
2. Civilian police



3. International staff



4. Local staff



Annex IV**Apportionment and expenditure for the period from
1 July 1998 to 30 June 1999**